TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

at

January 14, 2008

TO:

Internal File

THRU:

Dave Darby, Lead

FROM:

Joseph C. Helfrich, Sr. Reclamation Specialist

RE:

Midterm Permit Review, Savage Industries Inc., Savage Coal Terminal

C/007/0022, Task ID #2759

SUMMARY:

The Midterm Permit review for the Savage Coal Terminal facility was initiated by way of Division correspondence to James T. Jensen, (Vice President of Savage Industries Inc.), on March 5, 2007. The following items were chosen for review:

- A. A review of the mine plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and Permittee initiated plan changes are appropriately incorporated into the mine plan document.
- B. A review to ensure that the mine plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval (example: compliance with U.S. Fish and Wildlife Department-Colorado River Endangered Fish Recovery Program).
- C. A review of the applicable portions of the permit to ensure that the mine plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
- D. An AVS check to insure that Ownership and Control information is current and correct, verify compliance status of unabated enforcement actions, determine status of any outstanding finalized penalties, and verify that there are no demonstrated patterns of violation.
- E. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate current-year dollars.

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F.A review of the mining and reclamation plan for compliance with operator commitments related to variances or special permit conditions (including but not limited to; subsidence control monitoring plans and reporting requirements, variances to AOC, experimental practices, electronic data base water monitoring reporting, raptor surveys, revegetation test plots, etc.).

G. The Division may conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

This memo will address Item B. A review to ensure that the mine plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval.

Analysis:

The permit was renewed August 7, 2004 and expires August 7, 2009. There are no special conditions or stipulations attached to the current permit. The Permittee-initiated plan changes have been incorporated into the MRP.

The Permittee is in the process of updating the mine plan to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval. Two programs have been added to the review process, since the Coal Terminal closed and then reactivated. The U.S. Fish and Wildlife Department-Colorado River Endangered Fish Recovery Program, and the Cultural Resource-Archeological Inventory. Calculations and criteria used to determine mine water consumption for the Colorado Fish Recovery Program will be included in the reformatted MRP. A literature search and ground survey for the current permit area were conducted in 1980. The results of the two phase survey indicated that there were no historic of cultural sites within the permit area where the current mine facilities are located. The landuse and post mining landuse for the loadout permit area is wildlife and grazing. No changes other than reformatting will be made to this section of the MRP.

It is estimated that the reformatted MRP will be submitted to the Division some time during the first part of February. The MRP would then be scheduled for review. Representatives from Savage Services Corporation and the Division discussed estimated time frames for review and approval of the re-formatted MRP. Both parties agreed to have the reformatted MRP approved by the next Permit renewal date or August 7, 2009.

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Findings:

Savage Industries Inc. has met the requirements for item "B" of the midterm review.

RECOMMENDATION:

This portion of the mid term review is recommended for approval.

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